



Michael J. Heffernan  
Commissioner

*The Commonwealth of Massachusetts*  
*Department of Revenue*  
*Office of the Commissioner*  
*P.O. Box 9550*  
*Boston, MA 02114-9550*

November 18, 2016

The Honorable Brian S. Dempsey, Chair  
House Committee on Ways and Means  
State House  
Room 243  
Boston, MA 02133

The Honorable Todd M. Smola, Representative  
House Committee on Ways and Means  
State House  
Room 124  
Boston, MA 02133

The Honorable Karen E. Spilka, Chair  
Senate Committee on Ways and Means  
State House  
Room 212  
Boston, MA 02133

The Honorable Viriato M. deMacedo, Senator  
Senate Committee on Ways and Means  
State House  
Room 70  
Boston, MA 02133

Honorable Chairs and Ranking Minority Members of the Committees on Ways and Means:

Pursuant to Section 6 of Chapter 14 of the General Laws<sup>1</sup>, the Department of Revenue (DOR) hereby submits its mid-month tax revenue report for the month of November 2016. The attached table shows November 2016 month-to-date and Fiscal Year 2017 year-to-date tax revenue collections through November 15, 2016, along with changes from the same collection period in November 2015.

**Context for November estimates**

It would not be advisable to use this data to predict trends. At the time of the mid-month estimate, the available tax collection data is too early to provide a reliable estimate of full-month results.

In recent years, November has contributed an average of 6.6% total annual collections. This places it among the smallest revenue months, along with July, August, October, and February. There are no significant Estimated Payments scheduled for either individual or business taxpayers during November.

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<sup>1</sup> <http://www.malegislature.gov/Laws/GeneralLaws/PartI/TitleII/Chapter14/Section6>

## Highlights

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- **Total Tax Collections** for the month-to-date period were \$658 million, down \$104 million or 13.7% from the same period last year. For the year-to-date period of Fiscal Year 2017 (July 1 through November 15), Total Tax Collections were \$8.630 billion, which is \$254 million or 3.0% more than the same period in FY16.
- **Income Taxes** totaled \$528 million, down \$78 million or 12.8% from the mid-month of November 2015. On a fiscal year-to-date basis, Income Taxes were \$4.965 billion, up \$111 million or 2.3% over the same period last year.
- **Sales & Use Tax** collections were \$91 million at mid-month, up \$15 million or 19.3% from the same period last November. For the fiscal year-to-date, Sales & Use revenues were \$2.218 billion, up \$65 million or 3.0% over the same period last year.

Please note: Regular Sales and Meals tax revenues are heavily weighted toward the second part of the month, so that the mid-month figure is not predictive of the final full month revenue.

- **Corporate & Business Taxes** showed a net \$27 million outflow for November month-to-date, in comparison to a net inflow of \$15 million in 2015. This outflow is the result of refunds in excess of payments. For the fiscal year-to-date period, Corporate & Business Taxes were \$635 million, which is \$73 million or 13.1% ahead of the same period last year.
- **Other Taxes** totaled \$66 million at November mid-month (which is \$1 million or 1.6% more than the same period last year) and \$812 million fiscal year-to-date (which is \$4 million or 0.5% more than the same period in 2015).

## Detail

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**Total Income Tax** of \$528 million for mid-month November comprises the following:

- **Income Withholding** of \$543 million, which is \$72 million less than mid-month November 2015.
- **Estimated Payments** were \$15 million in the month-to-date period, up \$4 million versus the same period last year.
- **Income Returns/Bills** were \$16 million for November 2016 month-to-date, which is \$6 million less than in the same period last year.
- **Income Refunds** were \$46 million for November 2016 month-to-date, which is \$4 million greater (unfavorable) in comparison to the same period last year.

**Sales & Use Tax collections** of \$91 million for the November month-to-date period comprise \$46 million in Regular Sales, \$11 million in Meals, and \$34 million in Motor Vehicles. For Regular Sales and Meals, only a small proportion of total monthly collections are made by mid-month.

- The \$46 million figure for Regular Sales is \$18 million more than the month-to-date period in November 2015.
- Meals Tax revenues of \$11 million month-to-date were \$2 million less than the November month-to-date period last year.
- Vehicle revenues of \$34 million for the November month-to-date period were below the 2015 figure by \$1 million.

As noted above, **Corporate & Business** revenues were a negative \$27 million in the November month-to-date period. This outflow is the result of business tax refunds issued in November, slightly later than usual. As result, a relatively high October revenue result has been offset in the first few weeks of November. The fiscal year-to-date revenues remain above the prior year figure, by the amount of \$73 million.

We do not use the mid-month figures to project full-month results, because collections are heavily weighted to the end of the month, making the mid-month results unreliable as predictors.

If you have any questions concerning this report, please contact either me (617-626-2201) or Kazim P. Ozyurt, Director of the Office of Tax Policy Analysis (617-626-2100).

Sincerely,



Michael J. Heffernan  
Commissioner

Attachment

Cc: Kristen Lepore, Secretary of Administration and Finance  
Representative Robert A. DeLeo, House Speaker  
Senator Stanley C. Rosenberg, Senate President  
Jay R. Kaufman, House Chair, Joint Committee on Revenue  
Senator Michael J. Rodrigues, Senate Chair, Joint Committee on Revenue  
Representative Bradley H. Jones, Jr., House Minority Leader  
Senator Bruce Tarr, Senate Minority Leader  
Deborah B. Goldberg, Treasurer and Receiver General

**Tax Collection Report for November 2016 (in \$ millions)**  
**Tax Collections as of November 15, 2016, Compared to Same Collection Period in FY2016**

	<b>Month of November</b>			<b>FY17 YTD</b>		
	<b>11/2016 MTD Actual Collections</b>	11/2016 MTD v. 11/2015 MTD \$ Fav/(Unfav)	11/2016 MTD v. 11/2015 MTD % Fav/(Unfav)	<b>11/2016 YTD Actual Collections</b>	11/2016 YTD v. 11/2015 YTD \$ Fav/(Unfav)	11/2016 YTD v. 11/2015 YTD % Fav/(Unfav)
<b>Income</b>						
Income Withholding	543	(72)	-11.7%	4,334	216	+5.2%
Income Est. Payments	15	4	+39.9%	641	(54)	-7.8%
Income Returns/Bills	16	(6)	-26.6%	223	(9)	-3.8%
Income Refunds Net (outflow)	(46)	(4)	-10.1%	(233)	(42)	-22.0%
<b>Subtotal Income</b>	<b>528</b>	<b>(78)</b>	<b>-12.8%</b>	<b>4,965</b>	<b>111</b>	<b>+2.3%</b>
<b>Sales &amp; Use</b>						
Sales - Regular	46	18	+62.3%	1,479	56	+3.9%
Sales - Meals	11	(2)	-16.1%	414	14	+3.5%
Sales - Motor Vehicles	34	(1)	-2.8%	325	(4)	-1.2%
<b>Subtotal Sales &amp; Use</b>	<b>91</b>	<b>15</b>	<b>+19.3%</b>	<b>2,218</b>	<b>65</b>	<b>+3.0%</b>
<b>Corporate &amp; Business - Total</b>	<b>(27)</b>	<b>(42)</b>	<b>-278.0%</b>	<b>635</b>	<b>73</b>	<b>+13.1%</b>
<b>All Other</b>	<b>66</b>	<b>1</b>	<b>+1.6%</b>	<b>812</b>	<b>4</b>	<b>+0.5%</b>
<b>Total Tax Collections</b>	<b>658</b>	<b>(104)</b>	<b>-13.7%</b>	<b>8,630</b>	<b>254</b>	<b>+3.0%</b>

It would not be advisable to use this data to predict trends.

At the time of the mid-month estimate, the available tax collection data is too early to provide a reliable estimate of full-month results.